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SECRET

13 June 1974

DCI ADDRESS FOR
NATIONAL WAR COLLEGE
17 June 1974

THE WORLD SITUATION

Introduction

I. Gentlemen: I have been asked to review with you the World Situation. This is, to put it mildly, a large order. Where to begin might be a problem were it not for the importance of recent developments in relations between the two most important factors in the equation--the United States and the Soviet Union.

A. So, I would like to start out by defining and examining the change in Soviet foreign policy that we have come to call detente.

B. This should be a useful exercise, since those who know Russian tell me that there is no word in the Russian language for this concept. The fact that we call it "detente" is sufficient evidence that there is no word for it in English, either.

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A. SALT, where the stakes are the greatest, is moving slowly.

1. The Russians still lag qualitatively and are reluctant to give up current numerical advantages in strategic weapons. They appear increasingly concerned with third-country problems, especially China.

2. Moscow seems not yet ready to reconcile itself to the need for comprehensive constraints on the arms race as the price of continued progress in relations with the US. Instead, it prefers to take a piecemeal approach to strategic arms limitation.

B. At the MBFR talks in Vienna, which began last October, progress has been slow. The Warsaw Pact is still arguing that all direct participants in the talks should reduce their forces from the outset, and that all types of forces should be reduced. NATO is arguing that US and Soviet ground forces should be cut in a first phase, with other participants making reductions later.

C. At the Geneva Conference on Security and Cooperation in Europe, or CSCE, progress has come to a

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halt because of Soviet intransigence on the issues of freer movement of persons and ideas, and military confidence building measures.

1. Western and neutral delegations have been holding firm in seeking Soviet concessions.
2. While Moscow still says it wants to complete the talks at a summit meeting in July, any last minute concession may now be too late.
3. It is more likely that the final phase of the talks will come in the fall.

VIII. In spite of this limited program and public optimism, we see clear signs that the Soviets are troubled by several recent developments, and are trying to sort out how they may affect detente.

A. US diplomatic successes and Soviet reverses in the Middle East have touched a very sensitive nerve, and have given Soviet critics of detente a powerful weapon to use against the Brezhnev leadership.

B. The USSR is suspicious of American motives as it attempts to move back into the Middle East negotiating process.

C. Lack of progress on trade and credit concessions from the US has also sharply disappointed Moscow.

1. The Soviets have shown no inclination to liberalize further their emigration policy--

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have discussed this morning would not provide Moscow an assured "first strike" capability against the US strategic forces.

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SOVIET NAVAL DEPLOYMENTS

I. Before leaving the Russian military establishment, I would like to mention the steadily increasing activity of the Soviet Navy. What used to be basically a coastal defense force now sends units to the Caribbean, Mediterranean, Indian Ocean, and off West Africa. In addition to their "show the flag" operations, the Soviet Navy continues to fulfill its traditional functions as a close-in defensive force.

A. The Soviet Mediterranean Squadron averages about 15-20 surface combatants, 10 to 12 submarines and 20 support ships. In time of crisis, however, reinforcements can move in quickly. During the war last October, the squadron reached an all time high of 95 units.

1. The squadron lost its air support in 1972 when Egypt ousted the Soviet naval air arm.
2. Soviet ships and submarines continue to use Egypt's ports.
3. The Russians reportedly have secured an agreement for increased use of Syrian ports.

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1. Normally they have one submarine and two surface combatants there, but they can rapidly augment their force. During the Indo-Pakistani war in December 1971 they had 23 ships in the area--half of them combatants.

2. The Soviets are building a naval support facility at the Somali port of Berbera on the Gulf of Aden. They have done maintenance work on warships, set up a naval radio station, and are expanding the port's piers and fuel storage capability. We have reports they are building an airfield nearby.

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who fears the Porguguese will mount another raid like the abortive one in 1970.

D. Since Soviet naval visits to the Caribbean started in July 1969, groups of Russian combatant ships and submarines have gone to Cuba [redacted] Two guided missile destroyers and a diesel powered ballistic missile submarine recently concluded a month long visit to Cuba. 25X1

1. In each of the past three years, Soviet combatant ships and submarines spent about 370 ship-days in the Caribbean.

2. Soviet naval reconnaissance aircraft have flown between the USSR and Cuba [redacted] times since 1970. 25X1

a. In late 1973, and again this year, some of them made reconnaissance flights over US naval ships in the western Atlantic.

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A. Peking's major propaganda outlets have been depicting Confucius and his followers as conservative, tradition-bound figures who were successfully opposed at crucial periods of Chinese history by more progressive elements. Lin Piao, the deceased former defense minister, is described as a modern Confucian.

1. The real targets of the critical attacks, however, are leaders who are still active. In some instances they are being referred to as "followers" of Lin Piao.

B. The campaign is part of a struggle over the course China will follow after Mao and Chou leave the scene. In the broadest sense, it expresses Mao's desire to revitalize the revolution.

1. The course of the campaign in 1973 reflected factional struggle, but Chou En-lai's efforts to keep Chinese policy on a moderate course seemed dominant.

2. In recent months, however, the situation has been more fluid. There has been a countermove featuring criticism

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EUROPE

I. When we look at recent events on the continent of Europe, it is not hard to find considerable cause for concern. Certainly, to say the least, change is the word of the day there. Within the past month alone we have seen new governments take over in Paris and Bonn, and the coup in Lisbon in late April has challenged many entrenched positions both in Portugal and in southern Africa. I would like to address these three specific situations before commenting on the general state of US-European relations.

II. Portugal, first of all, had long been NATO's [redacted] 25X1 however--the Azores in the eastern Atlantic, and vast territories in southern Africa. Now we are witnessing a historic reconstitution of political life in Lisbon.

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2. One of his campaign themes, however, emphasized his opposition to the US on trade and monetary reform in 1971-73. Giscard also knows that Gaullists will be quick to rebel if he tries to move far from anti-US elements of traditional Gaullism.

D. Giscard may be more flexible in interpreting Gaullist defense and arms control policies. For the immediate future, however, France will not participate fully in NATO, not join the Geneva disarmament or MBFR talks, nor sign any multilateral disarmament agreements. He would also continue to develop the nuclear strike force.

1. Giscard may be more inclined than previous Gaullist presidents to cooperate on European arms production.

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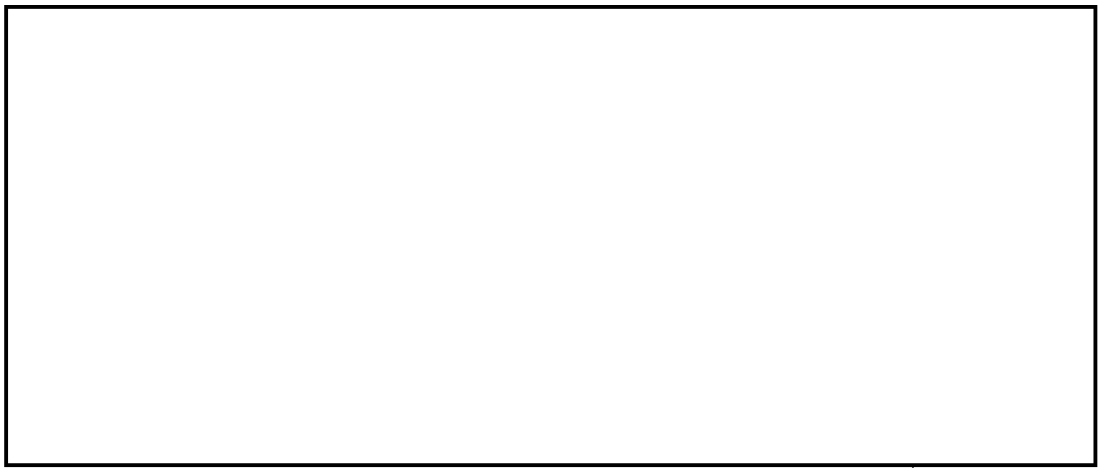

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D. In these circumstances, it is no wonder that we see so little movement on major area-wide issues--progress toward effective unity, and improvement in trans-Atlantic relations. The energy crisis has precipitated action--but clear directions do not yet appear.

E. You recall the decision of the EC Nine last winter, for example, to seek wide-ranging economic and cultural agreements with the Arab states. Europeans, even Britain's pro-US Labor government, regarded this as a positive step toward expressing their unity.

1. At the same time, many feared that US insistence on systematic consultations with the Nine on political initiatives could frustrate joint EC policies.

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II. As for the chances for a major North Vietnamese offensive, we are fairly confident that one will not be launched in the next few months, even though Hanoi has built up its forces in the South.

A. Large quantities of war materiel have been moved into South Vietnam in the past year, and Hanoi now has more troops in the South than it did at the start of the 1972 offensive.

B. On the other hand, dry season infiltration evidently has ended for the central and southern parts of the country. It is continuing into the northern half.

1. The 93,000 troops sent south so far this dry season (September-May) have been less than in comparable periods preceding the big offensives of 1968 and 1972.

C. We also note that communist officials in South Vietnam continue to tell Viet Cong cadre that no major offensive is planned in 1974 or 1975.

D. Looking beyond the next few months, however, the communists are clearly building a capability to revert to large scale warfare. The leaders in Hanoi themselves have probably not yet decided whether or when to use this capability.

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III. Meanwhile, the Paris talks on a political settlement between the Thieu government and the Viet Cong remain suspended, and both sides are demanding some hard terms for their resumption.

IV. At home, the Thieu government continues to strengthen its political position vis-a-vis its communist and non-communist opponents.

A. The government's most serious problem is in the country's economy--heavily dependent on foreign aid. Prices, after rising some 65 percent last year, have already increased 25 percent in the first five months of 1974.

V. In Cambodia, the fighting continues.

A. Government forces, having withstood the communists' push against Phnom Penh in January and February, are now trying to stem insurgent attacks against certain provincial enclaves.

1. In the far southwest, the communist siege of Kampot City has been broken, but the insurgents recently have tightened their control over nearby stretches of Route 4--the government's only access route to its seaport at Kompong Som.

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A. Advocates of Cuban re-entry into the OAS feel that they won a round in granting of an exception to a US subsidiary in Argentina to export to Cuba, and in the agreement that members would be polled on inviting Cuba to the next foreign ministers' meeting.

1. Those still hostile to Cuba, on the other hand, are gratified at the unchanged basic position of the US, and are less worried that the US will alter Cuban policy without consulting them.
2. The proponents of lifting OAS sanctions probably have 12 votes, an absolute majority but short of the needed two-thirds.
3. Cuba now has diplomatic and commercial relations with seven Latin American states: Argentina, Mexico, Peru, Jamaica, Guyana, Barbados, and Trinidad. Among the others, only Venezuela seems intent upon re-establishing formal ties with Cuba--although the new government that takes over in Colombia on August 7 may have similar ideas.
4. Although Cuban subversive activity in Latin America is at an all-time low, Havana is providing logistical and training support to

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